

STATE OF ILLINOIS
Action Plan Plan Amendment No.1
January 9, 2012

**Supplemental CDBG Disaster Recovery 1771 ("Midwest") Funding
from the Supplemental Appropriations Act
Public Law 110-252, 2008
Federal Register 5250-N-01: September 11, 2008**

GOVERNOR PAT QUINN
STATE OF ILLINOIS

ILLINOIS CDBG "MIDWEST" ACTION PLAN AMENDMENT (NO.1)

Through this Community Development Block Grant (CDBG) Disaster Recovery (DR) 1771 (CDBG "Midwest") nonsubstantial plan amendment, Illinois is providing for greater flexibility in awarding "Midwest" funds through the methods outlined below. This request reflects Illinois' commitment to utilize and award "Midwest" program funding in a manner that best supports the needs of Illinois residents and communities. The following is proposed by this amendment:

Refining the Midwest-DR Program's Method Of Distribution

- 1) Housing Buyout Program. No changes in the Midwest buyout program budget or selection process will result from this plan amendment.
- 2) Public Infrastructure - For the reasons described following, the budget reserved for the Midwest-public infrastructure program component will remain unchanged, but will entail two subcomponents: (a) Public Infrastructure (FEMA Match) and (b) Public Infrastructure (Non-FEMA Match):

Changes are being made to the Midwest -Public Infrastructure component based on DCEO's assessment of the applications received under this category. Federal law requires not less than 50% of the total Midwest Disaster Recovery funding received by the State benefit low and moderate income persons. Under the standard CDBG program, 70% of the funding is required to meet this objective; however, HUD provided a waiver lowering this percentage to 50% under the CDBG-Disaster Recovery program. After reviewing all applications submitted under this category the state determined that the it could not meet this requirement if it solely funded projects that needed "match" funding to FEMA dollars previously awarded on behalf of these projects. This is due to the the large number of applications received that identified "Urgent Need" as the national objective supported by the project. Therefore, to meet the the Low and Moderate (LMI) benefit requirement, , funding to provide match funds to FEMA-awarded projects will be reduced by approximately 25%.

To facilitate meeting the LMI benefit requirement under the Midwest program, \$5,000,000 will be allocated to support unfunded Ike Public Infrastructure applications meeting LMI *and* meeting infrastructure recovery needs caused by the floods. All projects funded will be tied to counties declared under FEMA Declaration 1771 (See Exhibit B). DCEO will fund projects meritoriously, meaning those scoring highest that are also connected with FEMA-1771 declaration and support the LMI benefit objective will be funded up to the \$5,000,000 budget reserve is depleted.

2.(a) Public Infrastructure Projects (FEMA Match)

CDBG funds will be used to assist applicants meet their 25% local match required for the FEMA infrastructure projects in flood-prone areas and for projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery. Examples include damaged water and sewer systems, storm drainage, levees, roads and bridges.

- 1) Allocation for Activity: \$7,474,363
- 2) Eligible Applicants: Local and county governments (in regions eligible for this disaster recovery funding).
- 3) Threshold Criteria:

(i.) Receipt of an award commitment for the FEMA Hazard Mitigation Grant Program or project will address needs arising from the 2008 disaster not eligible under FEMA.

4) Selection Criteria:

(i.) DCEO will fund up to 65 to 75 percent of the amount requested of all eligible applications received.

(ii.) Award preference will be given to projects that principally benefit low- and-moderate income persons.

2.(b) Public Infrastructure Projects (Non-FEMA Match) Unfunded Public Infrastructure Applications

1) Allocation for Activity: \$5,000,000

2) Eligible Applicants: Unfunded Ike Public Infrastructure Applications that meet the LMI national objective AND applied for recovery projects caused by the floods under Declaration 1771.

3) Selection Criteria: Applications were previously ranked and rated based on the criteria listed in Illinois' approved Ike Disaster Recovery Action Plan. DCEO will fund the highest ranked unfunded applications meeting the LMI benefit test *and* disaster recovery needs on behalf of communities under FEMA Declaration 1771-Eligible counties (See Exhibit B) until the funding is depleted.

4) Individual Grant Limit: The grant limit of the Ike Public Infrastructure Program will apply – “The standard maximum individual grant amount is \$750,000. However, DCEO reserves the right to increase an award above the maximum amount based on financial need, size of system, and to provide an additional investment to finance a more expensive but better long term solution.”

Exhibit A

**MIDWEST-Disaster Recovery Program
METHOD OF DISTRIBUTION - ORIGINAL**

Program Category	Budget (%)	Budget (\$)	Grant Ceiling
Housing Buyouts – FEMA Match Funds	23%	\$4,000,000	\$1,000,000
<i>Public Infrastructure</i>	72%	\$12,474,363	\$3,118,591*
Business Assistance**	0%	\$0	\$250,000
Administration (State and Local)	5%	\$867,071	N/A
TOTAL Program Budget	100%	\$17,341,434	

**MIDWEST-Disaster Recovery Program
METHOD OF DISTRIBUTION - REVISED**

Program Category	Budget (%)	Budget (\$)	Grant Ceiling
Housing Buyouts – FEMA Match Funding	23%	\$4,000,000	\$1,000,000
<i>Public Infrastructure-FEMA Match Funding</i>	43%	\$7,474,363	\$3,118,591*
<i>Public Infrastructure-Non-FEMA Match Funding</i>	29%	\$5,000,000	\$750,000
Business Assistance**	0%	\$0	\$250,000
Administration (State and Local)	5%	\$867,071	N/A
TOTAL Program Budget	100%	\$17,341,434	

* DCEO reserves the right to increase maximum award based on the unique aspects or circumstances surrounding a project application submitted.

* A single project in either category is limited to 25% of the budget allocation for the category.

** There is no set-aside for the business assistance category- projects will be considered only if funding is available for transfer from other categories.

The state of Illinois reserves the right to shift money from one program to another if the need should arise.

Exhibit B

Federally-Designated Areas Eligible for CDBG "Midwest" Assistance

The following Illinois counties were declared eligible for federal assistance under the FEMA 1771 Disaster Declaration:

Illinois Counties Declared Under FEMA-1771-DR

- | | |
|----------------------|------------------------|
| 1. Adams County | 14. Lake County |
| 2. Calhoun County | 15. Lawrence County |
| 3. Clark County | 16. Madison County |
| 4. Coles County | 17. Mercer County |
| 5. Crawford County | 18. Monroe County |
| 6. Cumberland County | 19. Pike County |
| 7. Douglas County | 20. Randolph County |
| 8. Edgar County | 21. Rock Island County |
| 9. Greene County* | 22. St. Clair County |
| 10. Hancock County | 23. Scott County |
| 11. Henderson County | 24. Whiteside County |
| 12. Jasper County | 25. Winnebago County |
| 13. Jersey County | |